



**US Agency for International Development (USAID)**  
**USAID/Moldova**  
**Simplified IEE Amendment**  
**Amendment No. 3**

**Program/Project/Activity Data**

Activity/Project Name:		<b>Comunitatea Mea Activity Cost Extension</b>	
Assistance Objective:		<b>More Effective and Accountable Democratic Governance</b>	
Program Area:		<b>Good Governance</b>	
Country(ies) and/or Operating Unit:		<b>Moldova</b>	
Originating Office:		<b>Moldova/DG</b>	Date: May 04, 2022
PAD Level IEE: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	DCN of Original RCE/IEE:	<b>DCN:2016-MOL-005</b>	
Supplemental IEE: Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	DCN of Supplemental IEE:	<b>DCN: 2017-MOL-021</b>	
RCE/IEE Amendment: Yes <input checked="" type="checkbox"/> No <input type="checkbox"/>		<b>DCN: 2020-MOL-035 (Memo)</b>	
Implementation Start/End Date		LOP: 03/05/2018 – 12/31/2026	
New Funding		AMD: \$ 15,000,000	
IEE/RCE History	DCN	LOP End Date	Total Funding (\$)
Original IEE/RCE	2016-MOL-005	FY 2020	\$ 85,000,000
Amendment 1	2020-MOL-019	FY 2025	\$106.800,000
Amendment 2	2016-MOL-005-001	FY 2026	\$ 116,000,000
Amendment 3	<b>2016-MOL-005-002</b>	FY 2026	\$ 131,000,000
Purpose of Amendment: Add new phase of activity and funding. <b>Additional funds allocated: Simplified Amendment for activity term extension and LOP/Funding only</b>			
Contract/Award Number (if known):		Cooperative Agreement No. 720-117-18-CA-00002	
<b>Recommended Environmental Determination(s):</b>			
<input checked="" type="checkbox"/> Categorical Exclusion		<input type="checkbox"/> Positive Determination	
<input checked="" type="checkbox"/> Negative Determination		<input type="checkbox"/> Deferral	
<b>Additional Elements:</b>			
<input type="checkbox"/> Conditions		<input type="checkbox"/> Government to Government	
<input type="checkbox"/> No Conditions		<input type="checkbox"/> Public International Organization (PIO) environmental and social policies and procedures applicable	
<input type="checkbox"/> Local Procurement		Climate Change Vulnerability Rating: <b>Low</b>	
<input type="checkbox"/> Donor Co-Funded			

## 1. Project and Activity Overview

### 1.1. Purpose and Scope of Amendment

This simplified IEE Amendment extends the life of the Comunitatea Mea (CM) activity and adds additional funding to the original IEE covered under DCN: 2016-MOL-005, the Supplemental IEE DCN: 2017-MOL-021 and the Memo to Supplemental IEE file DCN: 2020-MOL-035, commensurate with the

second phase of CM activity implementation. USAID intends to modify Cooperative Agreement No. 720-117-18-CA-00002 with International Research and Exchanges Board, Inc (IREX) to 1. increase the award ceiling by \$15,000,000; 2. extend the timeframe until 12/31/2026; 3. expand and update CM activities under each Objective as described below; and 4. help with the Ukrainian refugee response in Moldova. The scope of the project remains the same as those described in the approved Supplemental IEE DCN: 2017-MOL-021. The environmental threshold decisions and the limitations specified in the original PAD IEE (DCN: 2016-MOL-005) and the Supplemental IEE (DCN: 2017-MOL-021) will apply with this amendment to ensure they remain within the scope of determinations per 22CFR216.2(c) and 22CFR216.3(a): Categorical Exclusion under §216.2(c)(2)(i); §216.2(c)(2)(iii) & §216.2(c)(2)(v) is recommended for the described below activities under objectives 2, 3 and 4. A Negative Determination with Conditions under §216.3(a)(2)(iii) is recommended for the activities under objective 1. The CM phase II life of project amount will increase to a total of \$35,499,961 over an eight-year period.

## 1.2. Activity Overview

To meet the existing challenges and emerging opportunities for Moldova's local governance sector and to secure USAID's long-term investments in good local governance and accountability, USAID intends to support the next phase of CM that builds on the successes achieved in the first four years of activity implementation. Under the cost extension CM will expand the assistance package to larger number of communities; scale up the successful good governance mechanisms to a larger pool of LPAs and ensure their sustainability; and help Moldova's response to the refugee crisis at the community level. CM was awarded in March 2018 and is in its fifth and final year of implementation. USAID commissioned a performance evaluation of CM, which concluded that there is a need for sustained efforts to continue developing local governments for a democratic path in Moldova and support achievements to date.

## 2. Activity Description

Under the cost extension of CM, USAID/Moldova intends to: extend the number of beneficiary LPAs through targeting Cohort 4 communities, focusing on those with a higher number of hosted refugees where CM can support improvement of social services; 2. improve quality and access to municipal services, by increasing the number of Community Development Projects (CDPs), completing current Inter-Municipal Cooperation Initiatives (IMCs) and extend to new ones, consolidating gains over individual communities; and 3. institutionalize and continue extending to additional LPAs the use of successfully implemented instruments, such as Citizen Information and Services Centers (CISCs), and their integration with e-LPAs software, Service Improvement Action Plans (SIAPs), GIS local and property management, internal financial management controls, and communication tools. CM will also continue to provide targeted assistance to Chisinau Municipality aiming to make decision-making more transparent and inclusive, such as creating a separate Acquisition Department, digitization of local services, and transparent financial management.

The cost extension has four objectives, as outlined below. Activities under all objectives will show an integrated approach.

### ***Objective 1: Improving quality of and access to municipal services.***

Under the cost extension. CM will extend assistance to new partner municipalities with high populations of Ukrainian refugees by strengthening their capacity to deliver improved municipal services to respond to citizen needs, such as streetlighting, water and sanitation, transportation, waste collection, and other priorities. The end result should include the realization of service delivery through Community Development Projects (CDPs) that potentially build synergies with external and local resources such as the recently approved Local and Regional Development Fund. CDPs will meet community needs, the

implementation of which will be monitored by citizen groups through successfully piloted instruments such as SIAPs and Citizen Oversight Groups. To support management efficiencies and economies of scale, CM will support more inter-municipal cooperation initiatives following CM's lessons learned to date. In identifying targeted services, CM is expected to provide assistance for an inclusive process of strategic and urban planning. CM intends to assist selected LPAs in developing modern urban plans that lay the foundation of transparent decision-making and permitting. CM intends to provide a clear approach to improve social services that is inclusive of refugee needs.

CM is also expected to continue building on its successful partnership with the e-Governance Agency to support digitization of local government services, local functions and re-engineering of local processes aiming to provide better permitting and improve local governance.

Activities under objective 1 include, but are not limited to the following:

- Implement service improvements through Community Development Projects (CDPs) in newly selected LPAs (approximately 30) with a focus on Ukrainian refugees employing a participatory approach in the process of priority setting and project monitoring and implementation.
- Extend the number of IMCs for efficient service delivery.
- Assist at least five (5) municipal or intermunicipal enterprises to undergo an in-depth institutional, financial and technical upgrade to bring these enterprises to a sound business model. Assistance intends to improve business planning and management, increase environmental sustainability, energy efficiency and climate resilience, digitize billing, collection and water metering, leakage reduction, tariff and regulatory framework setting primarily in IMC initiatives, or other municipal settings, which deliver water and sanitation, and solid waste collection and recycling services.
- Implement improved social services in 18 communities as next steps to social services action planning, taking into consideration vulnerable populations or the needs of refugees and their integration into communities. The activities will ensure linkages with other USAID-supported child protection programs and national programs in the social sector.
- Scale-up the use of innovative instruments for local government capacity development, such as FOCAS, SIAPs, CISCs, customer satisfaction boxes, ensuring their sustainable use after USAID's assistance ends, and design new innovative approaches as relevant.
- Digitization of internal processes and local government services in support of the implementation of e-LPA, scaling-up integration of the one-stop-shop concept (CISCs) and connecting to central government platforms and contributing to transparent and effective decision-making.
- Support the development of at least 10 urbanistic plans.

***Objective 2: Citizens meaningfully engaged in local governance.***

USAID's intention is to further strengthen the communication and citizen engagement skills of current LPA partners, and develop skills to the new LPA partners, including IMC partners, by applying evidence-based successful good governance practices. The intended result is to achieve greater participation and transparency in municipal decision-making and resource allocation. Activities shall promote participatory citizenry and education of local councils and consensus building, especially as it relates to approval of local budgets, regulations, and decisions.

Activities under objective 2 include, but are not limited to the following:

- Build the capacity of LPAs on public outreach, communication skills and adopt transparency mechanisms to keep citizens informed about available budgets, revenues and expenditures, community priorities and projects. LPAs are expected to learn to work more effectively with local

media outlets, how to organize public hearings and debates, as well as conduct effective public awareness campaigns, or implement other effective transparency mechanisms.

- Grants to civil society organizations or (local governments) to support local initiatives, as they relate to municipal services and social services that address the needs of Ukrainian refugees and their integration in communities.
- Capacity development of local councilors on technical issues, such as local taxes and budgets, local services, urban planning, regulatory frameworks, and consensus building in Local Councils.
- Strengthen the capacity of existing citizen oversight groups (COGs) to further take over an active role in their communities and develop the capacity of new COGs to engage in project monitoring to have a stronger citizen voice in communities.
- Related to activities under Objective 1, build the capacity of LPAs to implement public educational campaigns about CDPs or IMC implementation on the importance of extension and delivery of services, such as updating tariffs, signing contracts, paying timely fees, etc.

***Objective 3: Decentralization policy reforms advanced.***

Activities under Objective 3 will continue creating an enabling environment for a local government reform and democratic local governance. Under the cost extension, CM will provide expert advice and will serve as a catalyst for legislative changes with broad participation of local authorities and civil society organizations. It is expected that CM will transition from evidence building approach to more proactive advocacy efforts in partnership with local governments and their associations. CM will continuously assess the development context and respond to emerging challenges and opportunities to support territorial-administrative reform, and tax policies to strengthen local government's financial viability and responsibility, particularly vis-a-vis local-source revenue. CM shall assist local governments with implementation of new legislation and mechanisms.

Activities under objective 3 include, but are not limited to the following:

- Provide policy advice and technical support for advancing decentralization reform. In consultation with the State Chancellery and national structures, provide international and local expertise to include policy recommendations, drafting legislation, conferences, and study visits on the most pressing legislation that relates to consolidation of local revenues, property issues, municipal services, etc.
- Support broad-based dialogue on decentralization reform. If there is political will, CM shall provide technical assistance for legislative and institutional support for territorial-administrative reform.
- Strengthen LG associations' role in representing the interests of LPAs. Activities may include building the capacity of existing associations or creating alternative representative structures using European models and clear outcome milestones. CM may facilitate the creation of professional LPA associations, such as the association of local cadastral engineers, associations of accountants, or communicators to provide stronger professional voices in advocacy efforts.
- Support communication platforms and outreach with LPAs and national structures to advocate for legislative changes and decentralization reform, as well as coordinate a more effective LPA response to the refugee crisis. Activities may include regular discussion forums and consultation meetings with key stakeholders.

***Objective 4: Increased locally-owned revenues and improved financial management practices.***

Through the cost extension CM will address the key barriers to local self-government – a mismatch between local powers, resources, and capacity to address citizen needs. Work will focus on increasing locally owned revenues and diversifying financial sources such as enforcing local tax collection, introducing special fees or municipal borrowing, or other mechanisms that prove to be effective. Property

management is an important revenue source for local governments; therefore substantial revenues will be expected to result from assistance to implement comprehensive property management in partner LPAs.

Activities under objective 4 include, but are not limited to the following:

- Extend the CM assistance package of revenue generation and transparent financial management to newly selected LPA partners (Cohort 4).
- Conduct property evaluation, delimitation and inventory of public/private property, and design property management systems to a realistic yet ambitious number of LPAs that would allow the implementation of a comprehensive property management system to serve as a basis for collection of property tax. This activity should be implemented in close coordination with the World Bank project on land and property registration.
- Scale-up implementation of GIS-Local to at least 20 new LPAs and lay the foundation for using Geospatial data for transparent asset management at a national scale.
- Assist with implementation of activities that help raise and diversify own source revenues, such as special fees, or municipal bonds, etc.

### 3. Climate Strategy

Given the nature of Comunitatea Mea project, most of the CM activities outlined above will have no impact either positive or negative on climate change. The exception is the support to municipal services improvements. It is critical that technical assistance to local governments include awareness-raising and proper planning to ensure any physical works are climatically resilient designed, sited, and constructed considering increasing frequency of extreme weather events. The implementing partner should consider and mitigate the impacts of climate change on supported infrastructure as well as potential impacts on land management and zoning to improve the long-term effectiveness and sustainability of economic plans. Building responsive, transparent governance and citizen engagement for climate action is essential to identifying and negotiating socially inclusive and equitable pathways to achieve a resilient, net-zero future. CM will work to strengthen governance systems at the local level to develop and implement effective climate goals. By supporting the improvement of municipal and intermunicipal services such as solid waste collection, energy efficient street lighting, removal of unauthorized landfills, building infrastructure to reduce leakages in the wastewater and potable water networks. CM will contribute to increasing climate resilience by promoting green technologies, reducing water consumption, and mitigating the pollution of water and soil in Moldova. CM intends to foster the education of LPAs and community members through effective campaigns on using environmentally friendly best practices and increasing people's understanding of climate change.

### 4. All other conditions of the original IEE DCN: 2016-MOL-005, the Supplemental IEE DCN: 2017-MOL-021 and the Memo to Supplemental IEE file DCN: 2020-MOL-035 remain in effect.

The same determinations are requested for the CM cost extension activities covered by this simplified amendment as were applied to the supplemental IEE in April 2017. This simplified amendment plans to conduct similar work, but in expanded geographic locations, and to benefit Ukrainian refugees to the maximum extent possible. All conditions and threshold determinations of the original IEE and the CM supplemental IEE remain in effect. With this amendment, the stipulations of Memo to the Supplemental IEE file DCN: 2020-MOL-035 remain in effect and all existing reporting requirements shall remain in place, for instance, any monitoring or reporting timelines stated in the existing EMMPs remain in place as do requirements for submittal by the implementing partner of Records of Compliance with Environmental Mitigation and Monitoring Plans at the close of activities.

**5. CM key accomplishments to date.** During the first four years of implementation, the implementer provided comprehensive assistance to 75 partner LPAs to improve municipal services, institutionalize transparent citizen participation mechanisms, raise local revenues, and improve the capacity of locally elected officials to communicate and engage more effectively with citizens. After four years of implementation, CM assisted all partner municipalities prioritize improvements of services based on participatory strategic planning, initiate and develop four Inter-Municipal Cooperation Initiatives, reaching the number of benefiting municipalities to 90 LPAs. Through the Community Development Projects (CDPs), CM has completed 23 projects for approximately 94,000 inhabitants in line with their priorities. More specifically CM has built 9 km of new sidewalks, 4 km of local roads, supported 9 renovations in kindergartens and schools for 1,167 children, extended potable water and sewerage networks, and built water towers ensuring access to safe water supply. CM has currently under construction 51 more CDPs which will be finalized in the next 12 months. The implementer has completed ERC/EMMPs for all the CDP projects, thus ensuring that the mitigation measures are translated into concrete actions for contractors and LPAs.


**6. This project is currently in compliance.**

The CM activity has been verified by MEO and COR site visits conducted on April 15, 2022, and is currently in compliance.



**Clearances:**

Approval:

  
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 Scott Hocklander, Mission Director

 5-12-2022  
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 Date

Clearance:

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